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E.O. 12958: N/A

TAGS: BEXP ETRD ETTC RS

SUBJECT: EXTRANCHECK: PRE-LICENSE CHECK: JSC NORTH WESTCOM, ST.
PETERSBURG, RUSSIA, LICENSE NO. D363669

REFTEL: USDOC 03095

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

¶2. Reftel requested a Pre-license check to determine the legitimacy and reliability of the end-user, JSC North Westcom, St. Petersburg, Russia. The company is listed on BIS license application D363669 as the ultimate consignee of a thermal imaging camera, model: FLK-TI55FT-20/54. These items are controlled for national security, nuclear non-proliferation reasons under ECCN 6A003. The licensee is Fluke Corporation, 6920 Seaway blvd., Everett, WA 98204.

¶3. On May 30, 2007, Export Control Attach Donald Pearce and FSN Natalya Shipitsina conducted the requested pre-license check at the offices of Joint Stock Company North Westcom (NWC), 13-H Chapaeva st., bld.2, St. Petersburg, Russia. The export control team met with Aleksander Zugrov, General Director.

¶4. NWC was founded five years ago as a distributor of electronic testing equipment. Currently the company is an official distributor of U.S. based Fluke Electronics and Acterna/JDSU, among other import and Russian brands. NWC sells a full line of testing equipment, from simple voltmeters to thermal imaging. The company works with its clients to develop the best solutions for testing and inspection equipment for a variety of industrial and communications applications. NWC has two locations in St. Petersburg, a retail showroom in the industrial sector, and the company headquarters on Chapeva where the meeting was held.

¶5. With the requested equipment as noted in reftel, NWC is hoping to branch into a service provider role as well. As a part of the NWC modernization program, NWC personnel plan on utilizing the camera to conduct non-destructive testing services and quality assurance inspections for a variety of industrial end users. The demand for high quality electrical infrastructure to support modern technological systems and the proliferation of high-speed communications technology has opened a niche in the market for private property owners to inspect their own power delivery infrastructure. In addition, NWC hopes to utilize the camera for sales demonstration purposes as well, for companies who do not outsource their testing.

¶6. NWC will employ two specialists, who will utilize the camera on a contract basis as well as conduct sales demonstrations. When not in use the camera will be locked in an equipment storage room at the company headquarters. The team was shown the storage room, which has a reinforced inner door and gates across the steel external access door to the loading dock. The office has 24x7 security as well as an electronic alarm system with motion detectors and cameras.

¶7. Mr. Zugrov is familiar with U.S. and Russian export controls.

NWC is only authorized by its U.S. distributors for sales within the Russian Federation, and the company does not export. The company hopes to get orders for sales of thermal imaging cameras from electrical service providers, research institutes and heavy industries. Mr. Zugrov mentioned that having the Russian Federation as his sales territory was large enough to ensure a profit.

18. Recommendations: Post recommends JSC North Westcom, St. Petersburg, Russia, as a reliable recipient of sensitive U.S. origin commodities. It is requested that post be notified of final disposition of the application, and of any shipments for this organization in order to conduct appropriate FCS follow-up and statistical reporting.

(FCS MOSCOW/SBOZEK/DPEARCE)

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